

Message Text

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E.O. 11652: GDS
TAGS: EMIN EEWT CH US EARC
SUBJ: PRC INTEREST IN US MINING AND METALS MINERAL PROCESSING
TECHNOLOGY

REF: PEKING 1274

1. SUMMARY. DURING THE LAST MONTH THE PRC HAS ASKED AT LEAST
FOUR US FIRMS TO VISIT ITS MINES AND MINERALS/METALS
PROCESS
G PLANTS AND TO PROVIDE DETAILED AND COMPREHENSIVE
ENGINEERING PROPOSALS ON HOW THESE CAN BE DEVELOPED TO
PRODUCE TO WORLD STANDARDS. END SUMMARY.

2. IN THE LAST MONTH, FOUR LARGE MINING AND ORE PROCESSING
ENGINEERING FIRMS HAVE BEEN INVITED TO CHINA, AT LEAST TWO
OF THEM BY TECHIMPORT. THEY ARE BUCYRUS-ERIE, ALLIS
CHALMERS, FLUOR AND MCKEE AND THEY ARE PROFFERING TECHNICAL
ADVICE IN A NUMBER OF AREAS. FLUOR TECHNICIANS WERE TAKEN
TO COPPER DEPOSITS IN KIANGSI PROVINCE AND WERE ASKED TO
DRAFT COMPREHENSIVE PROPOSALS FOR THE DEVELOPMENT OF ONE
DEPOSIT FROM MINING THROUGH PROCESSING (REFTEL). MCKEE
ENGINEERS WILL BE TRAVELING TO THE HAIKOW PHOSPHATE
MINE IN YUNNAN PROVINCE, THE YUNFU PYRITE MINE IN
KWANGTUNG AND THE KINGCHING PHOSPHATE MINE IN HUPEI
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TO OBSERVE MININT AND PROCESSING OPERATIONS AND TO OFFER
SEMINARS ON MCKEE ENGINEERING AND CONSTRUCTION SERVICES
THAT ARE AVAILABLE FOR THE DEVELOPMENT OF THESE DEPOSITS.
ALLIS CHALMERS IRON ORE BENEFICIATION SPECIALISTS HAVE
VISITED ANSHAN TO OBSERVE THE OPERATION OF THE TWO IRON
ORE SINTERING PLANTS THERE. ALLIS CHALMERS WAS TOLD OF PLANS
TO BUILD TWO IRON ORE PELLETIZING PLANTS, THE FIRST IN

THE NEAR FUTURE AND THE SECOND LATER, WITH CAPACITIES OF FOUR MILLION TONS OF PELLETS EACH. ULTIMATELY (PROBABLY BY 1985), ANSHAN DESIRES TO PRODUCE BLAST FURNACE FEEDSTOCK OF 95 PERCENT PELLETS AND FIVE PERCENT SINTER AND TO ATTAIN AN OUTPUT OF 30 MILLION TONS OF PIG IRON, REPRESENTATIVES WERE TOLD. ALLIS CHALMERS REPS WILL BE TRAVELING TO CHIAN (SAID TO BE LOCATED IN HOPEI PROVINCE; NO SITCS AVAILABLE), SITE OF THE MINE PRODUCING IRON ORE FOR THE CAPITAL STEELWORKS NEAR PEKING, WHERE ANOTHER FOUR MILLION TON PELLETIZING PLANT IS PLANNED. ALLIS CHALMERS HOPES TO SIGN CONTRACTS BEFORE LEAVING CHINA TO MAKE BENEFICIATION TESTS ON PRC IRON ORE AND TO DESIGN A PELLETIZING PROCESS FOR ULTIMATE SALE TO THE PRC. BUCYRUS-ERIE HAS BEEN IN CHINA FOUR WEEKS DISCUSSING PHOSPHATE MINING (AND PROBABLY ALSO PROCESSING).

3. COMMENT. THESE VISITS AND SEMINARS APPEAR TO INDICATE A NEW CHINESE WILLINGNESS TO ACCEPT FOREIGN ADVICE AND PARTICIPATION (FROM AN ENGINEERING AND CONSTRUCTION STANDPOINT) IN THE DEVELOPMENT OF MINERALS AND METALS RESOURCES. AS WOULD BE EXPECTED, THE CHINESE ARE SOLICITING THIS ADVICE IN PRIORITY AREAS WHERE RAPID DEVELOPMENT AND PERFORMANCE UP TO WORLD STANDARDS IS DESIRED. FIRMS ARE SAYING, IN WHAT MAY PROVE TO BE WISHFUL THINKING, THAT THE COMPREHENSIVE ENGINEERING AND CONSTRUCTION PROPOSALS UNDER DISCUSSION COULD

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AMOUNT TO SEVERAL HUNDRED MILLION DOLLAR CONTRACTS EACH. WOODCOCK

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